Ref: WB/CD/389/11/14/2013

November 14, 2013

H.E. Ato Sufian Ahmed
Minister
Ministry of Finance and Economic Development
Addis Ababa

Subject: Ethiopia - Agricultural Growth Project (Grant No. TF 099729)
Amendment No. 2 to the Letter Agreement

Dear Ato Sufian,

We refer to the Letter Agreement (“Agreement”), dated July 18, 2011, between the Federal Democratic Republic of Ethiopia (“Recipient”) and the International Development Association (“IDA” or “World Bank”) (acting as administrator of grant funds provided by various donors (“Donors”) under the Multi-donor Trust Fund (“MDTF”) for the co-financing of the IDA supported Agricultural Growth Project.

We are pleased to inform you that the World Bank has recently received the remaining committed contribution from the Donors for the above mentioned MDTF.

In order to provide these commitments from the Donors to the Recipient, we propose to amend first paragraph of the Agreement by increasing the total Grant amount from US$15,480,000 to US$33,700,000. Accordingly, first paragraph of the Agreement is amended to as follows:

“In response to the request for financial assistance made on behalf of the Federal Democratic Republic of Ethiopia (“Recipient”), I am pleased to inform you that the International Development Association (“IDA” or “World Bank”), acting as administrator of grant funds provided by various donors (“Donors”) under the Multi Donor Trust Fund (“MDTF”) (“TF No. 071628”) established for the co-financing of the IDA supported Agricultural Growth Project (“IDA Supported Project”), proposes to extend to the Recipient, a grant in an amount not to exceed thirty three million seven hundred thousand United States Dollars (US$33,700,000) (“Grant”) on the terms and conditions set forth or referred to in this letter agreement (“Agreement”), which includes the attached Annex, to assist in the financing of the project described in the Annex (“Project”). This Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the Donors. In accordance with Section 3.02 of the Standard Conditions (as defined in the Annex to this Agreement), the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the Donors under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.”
The table in Section 3.01 of the Annex to the Agreement is deleted in its entirety and is replaced with the Annex I to this amendment letter.

All other provisions of the Agreement, except amended herein, shall remain unchanged.

Please indicate your agreement with the foregoing, on behalf of the Recipient, by countersigning and dating the form of confirmation on the two original copies of this letter provided and returning one original, as countersigned, to us. Upon receipt by the World Bank of the copy of this letter countersigned by you, this amendment shall become effective as of the date of countersignature of this letter by you.

Sincerely,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By [Signature]
Guang Z. Chen
Country Director for Ethiopia
Africa Region

AGREEED:

FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

By: [Signature]
Authorized Representative

Title: [Signature]

Date: [Signature]
Annex I

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services, and Incremental Operating Costs for Part 1 of the Project</td>
<td>12,132,000</td>
<td>Such percentage as the World Bank shall determine and communicate to the Recipient in its Annual Confirmation for the relevant Annual Work Plan and Budget</td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants’ services, and Incremental Operating Costs for Part 2 of the Project</td>
<td>19,546,000</td>
<td></td>
</tr>
<tr>
<td>(3) Goods, works, non-consulting services, consultants’ services, and Incremental Operating Costs for Part 3 of the Project</td>
<td>2,022,000</td>
<td></td>
</tr>
<tr>
<td>(4) Unallocated</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>33,700,000</td>
<td></td>
</tr>
</tbody>
</table>